

U.S. Senate Republican Policy Committee
Larry E. Craig, Chairman Jade West, Staff Director

No. 69

July 20, 2000

**H.R. 4733 — Energy and Water Development
Appropriation Bill, FY 2001**

Calendar No. 688

Reported with an amendment in the nature of a substitute from the Committee on Appropriations on July 18, 2000 by a recorded vote of 28-0. (No written report as of press time.)

NOTEWORTHY

- H.R. 4733 provides \$22.92 billion in new budget authority for fiscal year 2001, an amount which is \$235 million below the budget request and \$1.3 billion above the enacted appropriation for the current fiscal year. [Note that this Notice was written from a draft, as no committee report had been filed.]
- The bill provides \$13.4 billion for defense discretionary activities (more than \$1 billion over the FY00 amount) and \$8.99 billion for nondefense discretionary programs, including water development.
- The bill provides \$6.5 billion in FY01 funding for the newly established National Nuclear Security Administration to improve security at U.S. nuclear facilities.
- The Committee provides \$4.1 billion for the Corps of Engineers, an amount which is \$27 million below the FY00 amount but is still \$36 million more than the budget request. This includes \$1.36 billion for ongoing construction activities, which is \$15.4 million more than the budget request but \$23.6 million less than FY00. The bill does not allow any new construction starts in FY01.
- The Senate-reported bill provides an emergency FY00 appropriation of \$203.5 million to remedy damages to the Los Alamos laboratory by the Cerro Grande forest fire.
- Solar energy and other renewable energy programs at the Department of Energy (DOE) are funded at \$444 million, which is \$11 million below the Administration's request and \$82 million more than the FY00 amount.
- The House passed its version of H.R. 4733 on June 28 by a vote of 407-19.

HIGHLIGHTS

Department of Defense: Corps of Engineers — Civil

- **Corps of Engineers:** The Committee continues the basic mission and activities of the Corps of Engineers and appropriates \$4.1 billion (\$26.9 million less than FY00). The Committee exceeds the Administration's FY01 budget proposal by \$35.9 million. The Committee recommends appropriations including \$139.2 million for general investigations; \$1.4 billion for construction of water resource projects; \$324.5 million for Mississippi River and tributaries flood control; and \$1.86 billion for operation and maintenance activities of the Corps.

Department of the Interior

- The Committee appropriates \$793.1 million for FY00 for the Department of the Interior for water resources development programs, of which \$753 million is for the Bureau of Reclamation. This total is \$47.9 million less than the Administration's budget request and \$12.7 million less than the FY00 appropriation. The committee provides a reduction of \$13.4 million in funds from FY00 for the Bureau of Reclamation.
- The Committee has allocated \$39.9 million for the Central Utah Project Completion Account, the same as the Administration's request; \$655.2 million for the Bureau of Reclamation's Water and Related Resources projects, \$12.1 million more than the Administration's request; \$38.4 million for the California Central Valley Project Restoration Fund, \$3.62 million less than the budget request; and \$50.2 million for Policy and Administrative Expenses, the same as the President's request.
- The President's budget request for FY01 proposes to extend, through the appropriations process, the funding authority for the CALFED program, which was established in 1995 to find a long-term solution to ecosystem health and water management in the San Francisco Bay Delta area. The Committee has expressed concern over duplication and overlap of CALFED activities and those of the Central Valley Improvement Act programs. Given that CALFED funding authority ends on September 30, 2000, the Committee is unable to provide the \$60 million requested by the Administration.

Department of Energy

- **Total Funding:** In Title III of the bill, the Committee provides \$17.95 billion for the various functions of the Department of Energy, which include general administrative expenses, nuclear weapons and environmental restoration programs, nuclear research activities, and the power marketing agencies; this amounts to \$1.3 billion more than FY00, and \$208 million less than the President's request.

- **Contractor Travel:** Last year the Committee capped the amount of funds available for contractor travel at \$150 million. For FY01 the Committee is recommending \$200 million for contractor travel which it believes to be an appropriate level.
- **Atomic Energy Defense Activities:** As a result of the enactment of the National Nuclear Security Administration Act, the Committee recommends a new account structure that includes the following separate appropriations accounts for the National Nuclear Security Administration (NNSA): weapons activities; defense nuclear nonproliferation; naval reactors; and Office of the Administrator. The Committee recommends \$6.5 billion for the NNSA (\$319 million more than the budget request). Of this total, \$4.88 billion is for weapons activities, \$909 million is for defense nuclear nonproliferation; \$695 million is for naval reactors; and \$10 million is for the office of the administrator. The Committee includes under Atomic Energy Defense Activities several other separate accounts: defense environmental restoration and waste management; defense facilities closure projects; defense environmental management privatization; other defense activities; and defense nuclear waste disposal. Of this, \$6.04 billion is for a category called Defense Environmental Management (an amount which is \$326 million more than last year's and is \$117 million below the request).
- **Energy Supply Programs:** The bill provides \$691.5 million for these programs, which include solar and renewable energy, nuclear energy, non-defense environment, safety and health, magnetic fusion energy, research, and other energy support activities. This amount is \$54 million more than FY00 and \$39.2 million less than the Administration's request. The Committee recommends \$444 million for solar and renewable energy, which is \$81.9 million more than the current year but \$10.7 million below the budget request; \$262.1 million for nuclear energy, which is \$26.6 million less than the FY00 amount and \$26 million below the President's request. The Committee recognizes the need to continue to investigate the phenomenon of climate change, that is to ascertain if change is indeed occurring, why change is occurring, and what would be the appropriate ways to respond to that change. As a result, the Committee has modified the request for low-emission energy technologies; including hydro, renewable, and nuclear with a view toward post-2010 application of new technologies. With few exceptions, the Committee recommends basic research that will provide significant improvements over existing technologies rather than on the deployment or incremental improvement of commercial or near commercial technologies. The Committee notes that it is aware that appropriated funds can demonstrate the reliable operation of low-emission technologies before they are commercially viable. The Committee has provided funds for such demonstrations in a few cases but expects that, in most cases, non-Federal financing would support the final stages of product development and all stages of commercial development.
- **Non-Defense Environmental Management:** The Committee provides \$309.1 million for these programs, which is \$23 million lower than the FY00 amount and \$26 million above the budget request.
- **Uranium Enrichment Decontamination and Decommissioning Fund:** The Committee recommends \$298 million for FY01 — \$49 million more than FY00 and \$3 million more than the budget request.
- **Nuclear Waste Fund:** The Committee recommendation includes \$351.2 million for nuclear waste disposal for FY01, the same as the FY00 amount. Of that amount, \$59.2 million is derived from the nuclear waste fund, and \$292 million shall be available from

the “Defense nuclear waste disposal” account. This amount is \$180 million more than FY00. Since passage of the Nuclear Waste Policy Act of 1982, as amended, the nuclear waste fund has incurred costs for activities related to disposal of high-level waste generated by the atomic energy defense activities of the Department of Energy. At the end of FY98, the balance owed by the government to the nuclear waste fund was approaching \$1.5 billion (including principal and interest). The “Defense nuclear waste disposal” appropriation was established to ensure payment of the government’s contribution to the nuclear waste repository program. [Note, the Committee also recommends a rescission of \$85 million from the Defense nuclear waste disposal account.]

- **Science:** The Committee recommends \$2.87 billion for FY01 — \$82.5 million more than FY00 and \$292.5 million less than the Administration’s budget request.

High Energy Physics: The Committee recommends \$677 million — \$32.2 million less than the Administration’s request and \$30.9 million less than FY00.

Nuclear Physics: The Committee recommends \$350.3 million — \$14.8 million less than the budget request and \$1.7 million less than FY00.

Biological and Environmental Research: The Committee provides \$444 million for FY01 — \$2.5 million more than FY00 and \$5.5 million more than the budget request.

Basic Energy Sciences: The Committee recommends \$914.6 million for FY01 — \$89.3 million less than the budget request and \$131.5 million more than FY00.

- **Defense Environmental Restoration and Waste Management:** The Committee recommends a total of \$6.04 billion for Defense Environmental Management for FY01. Of this, \$4.64 billion is for this subcategory, an amount which is \$73.7 million more than the budget request and \$168.5 million more than FY00. The program is responsible for identifying and reducing health and safety risks, and managing waste at sites where the Department carried out nuclear energy or weapons research and production activities. The program is organized into two program accounts — a site/project completion account (\$939.5 million) and a post-2006 completion account (\$3.2 billion) to reflect an emphasis on project completion and site closures. Activities have been organized into projects, which have more defined scopes, schedules, and costs that support a defined end state at each site.
- **Defense Environmental Management Privatization:** Of the \$6.04 billion for Defense Environmental Management, the bill contains \$324 million for privatization activities at various locations. This is approximately \$190.9 million less than the Administration’s budget request.
- **Defense Facilities Closures:** The bill provides \$1.08 billion, the same amount as the request.
- **Federal Energy Regulatory Commission:** The Committee appropriates \$175.2 million — the same as the budget request and \$250,000 more than FY00. (Revenues are applied in the same amount.)

- **Power Marketing Administrations:** The Committee recommends \$199.6 million which is the same as the budget request. (See the attached chart for Power Administration funding.)

Independent Agencies

- **Appalachian Regional Commission:** The Committee recommends \$66.4 million for FY01 — \$5 million below the budget request and about the same as the amount appropriated for FY00.
- **Nuclear Regulatory Commission (NRC):** The Committee recommends a gross appropriation of \$481.9 million for FY01 — \$17 million more than the FY00 appropriation. H.R. 4733 contains a one-year extension of the NRC's authority to collect fees because that authority expires at the end of FY00. The Senate has passed legislation extending the NRC's fee collection authority to the end of FY05.

ADMINISTRATION POSITION

There was no Statement of Administration Policy available at press time. However, the Administration has issued a statement on the House-passed version of H.R. 4733 expressing concerns over reductions in favored Administration programs. The Administration did not threaten to veto the House-passed version of the bill.

POSSIBLE AMENDMENTS

Reid. Strike language regarding New Mexico water rights.

Other amendments are anticipated, but were not known at press time.

Staff contact: John Peschke, 224-2946
Attachment: chart

Energy and Water Development Appropriation Bill, FY 2001

(reported amounts of selected programs)
(dollars in thousands)

<u>Corps of Engineers</u>	\$ 4,099,589
General Investigations	\$ 139,219
Construction	\$ 1,361,449
Op & Maintenance	\$ 1,862,471
<u>Bureau of Reclamation</u>	\$ 753,167
Water and related resources	\$ 655,192
<u>Department of Energy</u>	\$17,948,045
<i>Non-Defense</i>	
Energy supply programs	\$ 691,520
Environmental management	\$ 309,141
Uranium enrichment decontamination/ decommissioning	\$ 297,778
Nuclear Waste Fund	\$ 59,175
Science	\$ 2,870,112
High Energy Physics	\$ 677,030
Nuclear Physics	\$ 350,274
Biologic & Enviro Research	\$ 444,000
Basic Energy Sciences	\$ 914,582
Solar and Renewables	\$ 341,517
Nuclear Energy Programs	\$ 262,084
<i>Defense</i>	
National Nuclear Security Administration	\$ 6,496,856
Environmental Management	\$ 6,042,060
Other Defense Activities	\$ 579,463
Nuclear Waste Disposal	\$ 292,000
Fed. Energy Regulatory Comm.	\$ 175,200
<u>Nuclear Regulatory Commission</u>	\$ 481,900
	(-\$457,100 in revenues)
<u>Power Marketing Administrations</u>	\$ 199,601
Southeastern Power Admin	\$ 3,900
Southwestern Power Admin	\$ 28,100
Western Power Admin	\$ 164,916
<u>Rescission</u>	
Defense Nuclear Waste Disposal	(\$ 85,000)
BILL TOTAL:	\$22,918,441